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OLC 71-0481

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1-2982

15 June 1971

Executive Registry
71-2523/6

MEMORANDUM FOR: Director of Central Intelligence

VIA: Acting Deputy Director for Plans
Executive Director-Comptroller

SUBJECT: Status of Radios as of 1 July 1971

1. In accordance with a request from the Executive Director on 14 June, attached is a suggested memorandum for your signature to Mr. George Shultz, with a copy to Dr. Henry Kissinger, on the FY 72 funding impasse for the Radios.

2. The memorandum was drafted with the assistance of OLC, OGC, and OPPB.

[redacted]

25X1

Chief
Covert Action Staff

Attachment:
As stated

cc: DDCI

State Dept. review completed

CA-71-648

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16 JUN 1971

The Honorable George P. Shultz, Director
Office of Management and Budget
Washington, D. C. 20503

Dear George:

I am writing to bring to your attention the very acute dilemma which we now face with regard to Radio Free Europe and Radio Liberty and to request your guidance with regard to the responsibilities of the Central Intelligence Agency after 30 June 1971. I believe you are familiar with my memorandum of 11 May 1971 to the President on this subject. I attach a copy for your ready reference. Your staff has been good enough to provide me with a copy of your letter of 9 June 1971 to Senator Ellender, Chairman of the Senate Committee on Appropriations and his reply thereto of 10 June 1971.

As I understand the situation, Senator Case's bill to establish a new funding mechanism seems to have no chance of passage prior to the end of this fiscal year. It is also my understanding that the Central Intelligence Agency is precluded from any further funding of the radios after that date, either for continued operation or termination.

The Radios are United States Government proprietaries. I therefore believe the Government is both morally and legally obliged to take some action to continue them, at least on an interim basis, or to terminate them as of 1 July 1971. The funds the Radios now have on hand would permit continued operation for no more than 30 to 45 days in the new fiscal year. Both will need guidance within the next few days in order to plan for the first weeks of Fiscal Year 1972. 25X1

[redacted] However realistic these estimates may be, it is clear that a substantial amount of money would be involved. Reserves available for liquidation are

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I should like to request that you advise me as early as possible as to what the Administration desires that the Central Intelligence Agency do about the funding and the management of Radio Liberty and Radio Free Europe, effective 1 July 1971.

Sincerely,

Richard Helms

Richard Helms
Director

Attachment
Memorandum for The President
dated 11 May 1971

Copy to:
The Honorable Henry A. Kissinger
Assistant to the President
for National Security Affairs

cc: DDCI
Concur:

25X1 /s/ [redacted]
Acting Deputy Director for Plans

25X1 DDP/C [redacted] (15 June 1971)
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DEPARTMENT OF STATE

Washington, D.C. 20520

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June 6, 1971

MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Administration Proposal for Publicly Funding RFE and RL

Developments which have occurred since the subject proposal was last considered by you indicate that we may be rapidly approaching a moment at which White House leadership on this issue with key Senators may be needed if the proposal is to move forward sufficiently quickly. In fact, action by White House Legislative Staff may be needed June 7 and 8 if it appears that a vote on the proposal will take place on June 8 in the Senate Foreign Relations Committee. Developments in the past two weeks on this issue are outlined herein.

1. The Administration's draft proposal was put forward on May 24 by Senator Case at a hearing of the Senate Foreign Relations Committee. With the exception of Senator Fulbright, the other members of the Committee present appeared to take a friendly (Sparkman and Case) or neutral (Aiken and Spong) attitude towards the proposal. Senator Fulbright, however, extensively questioned the Administration's witness, Assistant Secretary Hillenbrand, after his presentation of his statement (Tab A). The main thrust of Senator Fulbright's criticism was that the Radios were a vestige of the cold-war. However, comments made by the Senator both at the hearings and afterward suggested he did not feel his opposition would suffice to kill the proposal.

2. On June 8, the Senate Foreign Relations Committee is scheduled, after the discussion of other matters, to go into executive session and consider the aspects of the Radios' relationship to the government on which we did not

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wish to provide information in the May 24 public hearing. Our written classified submission on the question of CIA's policy and fiscal relationship with the Radios will be given on Monday to the Committee, which has requested that a State Department official be available at the Tuesday session to make such further clarifications as the Committee may desire. During this session, it is possible that Senator Fulbright, if he feels the moment is opportune, may call for a Committee vote on the issue—even though the record of the hearing is not complete and the two Radios have not yet made their submissions. On the other hand, if properly disposed Senators are present, it may be advantageous to us—in view of the budgetary problem described in paragraph 6—to encourage Senator Case to call for a vote. (This would be doubly true if, as is rumored, Senator Fulbright leaves Washington for several weeks at the end of the week.) We plan discussions early Monday with Senator Case and other members of the Committee to see what the likelihood is of either of the above contingencies.

3. In light of various comments by Senator Case at the time he offered the Bill to the Committee, we have made several modifications of a minor nature in the proposal (Tab B). These would permit the Speaker of the House and the President pro tem of the Senate each to appoint two of the eleven Directors of the proposed American Council for International Communications. The revised Bill also stipulates that the Council, in contracting grants to the Radios, would provide for GAO audits of their finances. The word "private" is being dropped from the title of the proposed Council in view of Senator Fulbright's belief that publicly funded organizations should not be referred to as "private." In deference to both Senator Fulbright's and Senator Case's stated desires, the revised Bill provides that the Council has to be authorized annually. This will, of course, mean an annual hearing before the Senate and House Foreign Relations (Affairs) Committees as well as before the Appropriations Committees. Although there was some pressure to name the two Radios in the legislation, we have resisted this idea, pointing out that we have submitted a statement that, during the coming fiscal year, we would not favor having

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the Council make grants to organizations other than Radio Free Europe and Radio Liberty. Inasmuch as the Council will have to undergo an authorizing process again next year, the Congress will have adequate opportunity to obtain a similar commitment for fiscal year 1973 should it so desire.

4. The record of the May 24 hearing is being completed and the Radio Directors are submitting their own statements for the record. In addition, former Ambassador Foy Kohler, Professor William Griffith, and Professor Robert Byrnes are contributing statements on the value of the Radios. Ambassador Kennan is also willing to express support of Radio Liberty. Professor Brzezinski is attempting to prepare a statement jointly with Professor Hans Morgenthau in support of the Radios.

5. The House Foreign Affairs Committee is not yet seized of the subject partly because of the House parliamentarian's quixotic assignment of the draft Bill to the District of Columbia Committee. When it can be rerouted to the Foreign Affairs Committee, Representative Reid plans to introduce it.

6. On the budgetary side, a recent inquiry conducted by OMB to the House and Senate Appropriations Staffs has ascertained that these Committees are opposed to surge funding of the Radios for FY 1972 and would prefer to fund them through a continuing resolution process, even though funds for the Radios are not being included in the FY 1972 DOD-CIA budget. Under such a procedure, funds obtained in this manner would automatically terminate in 90 days or at the latest when the FY 1972 DOD budget is approved. It is currently estimated that the DOD budget may not be approved until December. It would be difficult indeed to get the whole proposal through Congress prior to September 30 (90 days after the beginning of the fiscal year) but there is a fair chance that with strong leadership on the part of the Administration, we could get it through by December.

7. The question of the eventual channel for appropriated funds still remains unresolved because the Treasury Department is not in favor of being the disbursing channel for the proposed Council for International Communications. A Presidential directive may be required to persuade the Treasury to take on this function.

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8. In the wake of the hearing, the Polish Foreign Ministry on May 26 handed our Ambassador in Warsaw and later described in the press an aide-memoire (Tab C) calling for the termination of Radio Free Europe. The aide-memoire accused Radio Free Europe of conducting "subversive" operations and organizing "a network of informants" in Poland. The Polish Embassy described this aide-memoire a few days later in the press and also presented an aide-memoire to the Federal Republic of Germany of similar substance. The Federal Republic's press spokesman responded on June 1 that Radio Free Europe's transmitter licenses had been extended for another year, until the summer of 1972 (_____). He stated that the Polish aide-memoire would be examined. The Poles also made a demarche to the British Embassy in Warsaw about the activities of the London office of Radio Free Europe. The Polish Deputy Foreign Minister Joseph Winiewicz raised the matter of Radio Free Europe during his call on the Acting Secretary on June 4 at the Department of State. Other Eastern European countries have not followed suit. However, the Bulgarians have opened a press campaign against RFE, and Czechoslovak television recently carried a feature program on Radio Free Europe. This highlighted the revelations of former Radio Free Europe employee, Noel Field, the American who was held for seven months last fall and winter in Czechoslovakia following his arrest in July 1970. The Czechoslovak TV program also mentioned revelations by Captain Czechowicz, a Pole who formerly worked in Radio Free Europe research and then redefected with baggage to Poland (or in the Polish version, returned to his parent organization, the Polish secret service).

9. We plan to brief the appropriate members of Chancellor Brandt's entourage on the entire issue of the Radios during the Chancellor's mid-June visit.

Theodore L. Eliot, Jr.
Executive Secretary

Drafted by:

EUR/CMP:[illegible]:llp
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Clearances:
EUR - Mr. Davies
H - Mr. Leahy (subs)

SECRET/Eyes

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Attachments:

Tab A - Statement by Assistant Secretary for European Affairs (Kenneth T. Rillenbrand

Tab B - Draft Bill

Tab C - Warsaw's 1607

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